

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:

LEHMAN BROTHERS HOLDINGS, INC., et al.,  
  
Debtors.

Chapter 11 Case No.  
08-13555 (JMP)  
Jointly Administered

In re:

LEHMAN BROTHERS, INC.,  
  
Debtor.

Case No.  
08-01420 (JMP) SIPA

FIRSTBANK PUERTO RICO,  
  
Plaintiff,  
  
-against-  
  
BARCLAYS CAPITAL INC.,  
  
Defendant.

Adversary Proc. No.  
10-04103 (JMP)

**Bond No. 106054047**

**SUPERSEDEAS BOND**

KNOW ALL MEN BY THESE PRESENTS that First Bank Puerto Rico, as the plaintiff in the above-captioned action and as principal to this Supersedeas Bond ("Principal"), and Travelers Casualty and Surety Company of America, a corporation incorporated under the laws of the State of Connecticut and authorized to do business in the State of New York, as surety ("Surety"), are held and firmly bound to Barclays Capital Inc., defendant ("Obligee"), in the sum of **Two Million Seven Hundred Seventy-Five Thousand Four Hundred Fifty and 00/100 dollars (\$2,775,450)**, lawful money of the United States of America for which payment the Principal and

Surety firmly bind themselves, their successors and assigns, jointly and severally to Obligee, by these presents as follows:

WHEREAS, on the 23rd day of January 2014, in the above-named Court, Judgment in an Adversary Proceeding was entered for Obligee in the above-captioned case against the Principal for payment of the sum of \$2,500,000 in cash, plus post judgment interest calculated at the post-judgment rate set forth in 28 U.S.C. §1961 (the "Judgment");

WHEREAS, Principal shall appeal or has appealed such Judgment to the United States District Court for the District of New York and/or the United States Court of Appeals for the Second Circuit; and

WHEREAS, this Bond is filed in accordance with the requirements of the United States Bankruptcy Court for the Southern District of New York, for a stay of execution of Judgment pending appeal, pursuant to Rule 8 of the Federal Rules of Appellate Procedure, Rule 62 of the Federal Rules of Civil Procedure, Rules 7062 and 8005 of the Federal Rules of Bankruptcy Procedure and Rule 8005-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of New York.

**NOW, THEREFORE:**

1. The condition of the above obligation is such that if Principal shall pay the Judgment or such part of the Judgment which is not reversed upon any appeal, and damages, interest and costs, including as ordered, attorneys' fees and reasonable expenses, then the above obligation is to be void, otherwise to remain in full force and effect; *provided, however*, that in no event shall the liability of the Surety hereunder be cumulative or exceed the maximum aggregate sum of Two Million Seven Hundred Seventy-Five Thousand Four Hundred Fifty and 00/100

dollars (\$2,775,450), lawful money of the United States of America, which sum may not be increased without the express written consent of the Surety.

2. The Principal, the Surety and the Obligee agree that if the amounts due and owing to Obligee under the above conditions are not paid, the Obligee can enforce this Supersedeas Bond against the Principal and the Surety, as set forth herein, in the United States Bankruptcy Court for the Southern District of New York and/or the United States District Court for the Southern District of New York, and the Principal and Surety consent to the jurisdiction of those Courts.

3. The Surety shall not be liable for any party other than the Principal, First Bank Puerto Rico, nor shall the Surety's liability be increased or otherwise affected hereunder in any way whatsoever as a result of the performance or nonperformance of any party or surety therefore other than the Principal, First Bank Puerto Rico.

4. Written notice of claim on this surety bond shall be sent to the following:

Travelers Bond & Financial Products Claim  
Attn: Surety Claim  
One Tower Square, S102A  
Hartford, CT 06183

**Bond No. 106054047**

Dated this 6th day of February, 2014.

First Bank Puerto Rico

By: 

Travelers Casualty and Surety Company of America

By: 

Javier Santiago Rivera, Attorney-In-Fact



Travelers Casualty and Surety Company of America  
 ATTORNEY-IN-FACT JUSTIFICATION  
 PRINCIPAL'S ACKNOWLEDGMENT – IF A CORPORATION

State of Aff. # 101  
 County of San Juan, Puerto Rico

On this 6<sup>th</sup> day of February in the year 2014, before me personally appeared Lawrence Odell personally to me know, who, being by me duly sworn, deposes and says: That he/she resides in the City of San Juan that he/she is the General Counsel of FirstBank Puerto Rico, the corporation described in and which executed the within instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like order.

Signature [Signature]

Seal

PRINCIPAL'S ACKNOWLEDGMENT – IF INDIVIDUAL

State of \_\_\_\_\_  
 County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be (the individual) (one of the firm of \_\_\_\_\_) within instrument, and he/she thereupon duly acknowledged to me that he/she executed the same (

Signature \_\_\_\_\_

Seal

SURETY COMPANY'S ACKNOWLEDGMENT

State of Aff. # 102  
 County of San Juan, Puerto Rico

On this 6<sup>th</sup> day of Feb. in the year 2014, before me personally appeared Javier Santiago to me known, who, being by me duly sworn, did depose and say: That he/she resides in the City of Carolina, PR; that he/she is Attorney-in-Fact of **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**, the corporation described in and which executed the within instrument; that he/she knows the corporate seal of said Company; that **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**, is qualified to become and be accepted as surety or guarantor on all bonds, undertakings, recognizances, guaranties, and other obligations required or permitted by law; and that such certificate has not been revoked.

[Signature]  
 Notary Public



**TRAVELERS****POWER OF ATTORNEY**

Farmington Casualty Company  
 Fidelity and Guaranty Insurance Company  
 Fidelity and Guaranty Insurance Underwriters, Inc.  
 St. Paul Fire and Marine Insurance Company  
 St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company  
 Travelers Casualty and Surety Company  
 Travelers Casualty and Surety Company of America  
 United States Fidelity and Guaranty Company

Attorney-In Fact No. 216697

Certificate No. 005500511

**KNOW ALL MEN BY THESE PRESENTS:** That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Carlos R. Irizarry, Duhamel Iglesias Cacho, and Javier Santiago Rivera

of the City of Guaynabo, State of Puerto Rico, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 21st day of May, 2013.

Farmington Casualty Company  
 Fidelity and Guaranty Insurance Company  
 Fidelity and Guaranty Insurance Underwriters, Inc.  
 St. Paul Fire and Marine Insurance Company  
 St. Paul Guardian Insurance Company

St. Paul Mercury Insurance Company  
 Travelers Casualty and Surety Company  
 Travelers Casualty and Surety Company of America  
 United States Fidelity and Guaranty Company



State of Connecticut  
 City of Hartford ss.

By: Robert L. Raney

Robert L. Raney, Senior Vice President

On this the 21st day of May, 2013, before me personally appeared Robert L. Raney, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.  
 My Commission expires the 30th day of June, 2016.



Marie C. Tetreault  
 Marie C. Tetreault, Notary Public



This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 6TH day of FEBRUARY, 2014.

  
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

## TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

HARTFORD, CONNECTICUT 06183

FINANCIAL STATEMENT AS OF DECEMBER 31, 2012

AS FILED IN THE STATE OF NEW YORK

CAPITAL STOCK \$ 6,480,000

ASSETS		LIABILITIES & SURPLUS	
CASH AND INVESTED CASH	\$ 15,836,791	UNEARNED PREMIUMS	\$ 783,409,692
BONDS	3,713,171,015	LOSSES	901,058,710
INVESTMENT INCOME DUE AND ACCRUED	50,798,732	REINSURANCE PAYABLE ON PAID LOSSES & LOSS ADJ. EXPENSES	1,446,021
OTHER INVESTED ASSETS	280,730,697	LOSS ADJUSTMENT EXPENSES	534,370,660
PREMIUM BALANCES	184,942,508	COMMISSIONS	29,281,779
NET DEFERRED TAX ASSET	63,274,378	TAXES, LICENSES AND FEES	66,762,894
REINSURANCE RECOVERABLE	12,410,524	OTHER EXPENSES	35,588,967
SECURITIES LENDING REINVESTED COLLATERAL ASSETS	7,769,155	FUNDS HELD UNDER REINSURANCE TREATIES	94,449,544
RECEIVABLES FROM PARENT, SUBSIDIARIES AND AFFILIATES	11,080,470	CURRENT FEDERAL AND FOREIGN INCOME TAXES	60,675,573
UNDISTRIBUTED PAYMENTS	(1,439,585)	REMITTANCES AND ITEMS NOT ALLOCATED	19,270,931
OTHER ASSETS	884,093	AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	79,084,806
		RETROACTIVE REINSURANCE RESERVE ASSUMED	3,163,164
		POLICYHOLDER DIVIDENDS	6,730,121
		PROVISION FOR REINSURANCE	5,314,325
		ADVANCE PREMIUM	726,898
		PAYABLE FOR SECURITIES LENDING	7,769,155
		CEDED REINSURANCE NET PREMIUMS PAYABLE	(70,803,744)
		ESCHEAT LIABILITY	525,399
		OTHER ACCRUED EXPENSES AND LIABILITIES	282,062
		TOTAL LIABILITIES	\$ 2,559,106,957
		CAPITAL STOCK	\$ 6,480,000
		PAID IN SURPLUS	433,803,760
		OTHER SURPLUS	1,340,168,061
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 1,780,451,821
TOTAL ASSETS	\$ 4,339,558,778	TOTAL LIABILITIES & SURPLUS	\$ 4,339,558,778

STATE OF CONNECTICUT )  
COUNTY OF HARTFORD ) SS.  
CITY OF HARTFORD )

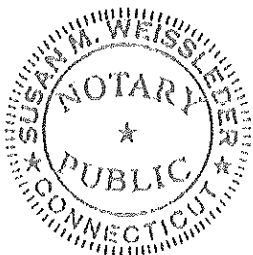
MICHAEL J. DOODY, BEING DULY SWORN, SAYS THAT HE IS SECOND VICE PRESIDENT, OF TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, AND THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL CONDITION OF SAID COMPANY AS OF THE 31ST DAY OF DECEMBER, 2012.

*Michael J. Doody*  
SECOND VICE PRESIDENT

*Susan M. Weissleder*  
NOTARY PUBLIC

SUSAN M. WEISSLEDER  
Notary Public  
My Commission Expires November 30, 2017

SUBSCRIBED AND SWORN TO BEFORE ME THIS  
20TH DAY OF MARCH, 2013



**CERTIFICATE OF SOLVENCY UNDER SECTION 1111 OF THE NEW  
YORK INSURANCE LAW**

STATE OF NEW YORK  
DEPARTMENT OF FINANCIAL SERVICES

It is hereby certified that

**Travelers Casualty and Surety Company of America**

Of Hartford, Connecticut

a corporation organized under the laws of the State of Connecticut and duly authorized to transact the business of insurance in this State, is qualified to become surety or guarantor on all bonds, undertakings, recognizances, guaranties and other obligations required or permitted by law; and that the said corporation is possessed of a capital and surplus including gross paid-in and contributed surplus and unassigned funds (surplus) aggregating the sum of \$1,780,451,821 (Capital \$6,480,000) as is shown by its sworn financial statement for the year ending December 31, 2012 on file in this Department, prior to audit.

The said corporation cannot lawfully expose itself to loss on any one risk or hazard to an amount exceeding 10% of its surplus to policyholders, unless it shall be protected in excess of that amount in the manner provided in Section 4118 of the Insurance Law of this State.



In Witness Whereof, I have

unto set my hand and affixed

official seal of this Department  
in the City of Albany, this 26th  
day of April, 2013.

**Benjamin M. Lawskey**  
Superintendent of Insurance

By

**Jacqueline Catalfamo**  
Special Deputy Superintendent